

MINUTES OF A SPECIAL MEETING OF THE SHAREHOLDERS OF

WASATCH MOUNTAIN RAILWAY & DEVELOPMENT CO.

Minutes of a special meeting of the shareholders of Wasatch Mountain Railway and Development Co. held Friday, July 30, 1971 in Heber City, Utah at 8:00 A.M. Present in person or by proxy were shareholders of 62,900 shares, being all of the issued and outstanding stock of the Company. Lowe Ashton acted as Chairman of the meeting and J. Harold Call acted as Secretary thereof.

The Secretary presented a Notice which was furnished to all shareholders in connection with the meeting and said Notice was ordered to be made a part of the minutes of the meeting.

The Chairman then stated that the first purpose of the meeting was to consider the approval of a Lease and Option Agreement between the Company and Lowe Ashton whereby the Company will lease for a period of two years approximately eleven acres at a monthly rental of \$200 per month. Rentals of \$195 per month which are presently being paid to Mr. Ashton will be payable under the lease to the Company. In addition, the Company will receive an exclusive option to acquire all or part of the property except for a portion under option to a third party. The option may be exercised any time prior to the expiration of the lease term at a price of \$2,200 per acre payable only in the \$1 par value Common Stock of the Company. In the event the Company obtains an excess of \$300,000 through equity financing during the option period, Mr. Ashton will immediately become obligated to transfer the described property in exchange

for the amounts of the Company's Common Stock set forth above.

After discussion, upon motion duly made, seconded and unanimously adopted, it was

RESOLVED: That it is desirable and in the best interests of the Company to enter into a Lease and Option Agreement with Lowe Ashton for the above-described property on the terms and conditions set forth above.

FURTHER RESOLVED: That the proper officers be and are hereby authorized to enter into any agreements or instruments necessary to carry into effect the foregoing resolution.

The Chairman stated that the next matter to come before the meeting was consideration of allowing existing stockholders to increase their equity position in the Company by contributing material, equipment, cash or additional property necessary for the Company's operations so as to maintain their relative equity position in the Company. The Chairman identified several items which are presently needed by the Company, and a discussion concerning the maximum allowable increase followed during which it was pointed out that each shareholder would make an individual decision as to whether or not he wished to increase his equity investment and that the Company would retain the discretion to accept or reject property offered in exchange for stock of the Company.

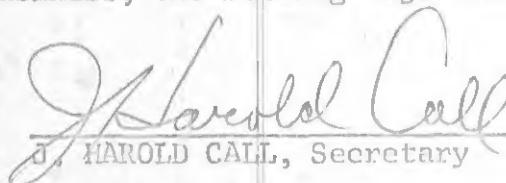
After full discussion, upon motion duly made, seconded and unanimously adopted, it was

RESOLVED: That the shareholders of the Company be permitted to increase their equity investment in an

amount not to exceed 285% of the original investment made by each shareholder in the Company, at any time prior to filing of a Notification Statement and Offering Circular with the Securities and Exchange Commission.

A newsletter concerning the operations of the Company to date was distributed to all shareholders and a general discussion concerning acquisition of equipment and office machinery followed.

There being no further business, the meeting adjourned.


J. HAROLD CALL, Secretary